

MANAGED RISK MEDICAL INSURANCE BOARD
STATE LEGISLATIVE REPORT
2011 YEAR-END REPORT (2011-2012 SESSION)

October 18, 2011

Signed Bills	
Bill	Summary
AB 509 (Skinner)	Earned Income Tax Credit: Notification
Version: A-8/30/2011 Sponsor: Author	Requires certain state departments and agencies that serve low-income Californians to notify program recipients at least once a year that they may be eligible for the federal Earned Income Tax Credit. The bill specifically mentions the Managed Risk Medical Insurance Board and the Healthy Families Program in its definition of state departments, agencies or programs that serve potentially eligible individuals.
AB 922 (Monning)	Office of the Patient Advocate
Version: A-9/2/2011 Sponsors: Western Center on Law and Poverty; Health Access	Transfers the Office of the Patient Advocate from the Department of Managed Health Care to the California Health and Human Services Agency. The bill also transfers the Department of Managed Health Care from the Business, Transportation and Housing Agency to the Health and Human Services Agency. The bill requires the OPA to provide assistance, outreach and education for all types of health coverage programs, public and private; to develop protocols and procedures for assisting in the resolution of consumer complaints and providing referrals to federal and state entities, including some MRMIB programs. The bill also requires DMHC, the Department of Health Care Services, the Department of Insurance, MRMIB and the California Health Benefits Exchange to report data to the OPA regarding consumer complaints and grievances. The provisions of the bill that affect individuals who receive coverage or are eligible for coverage through the Healthy Families Program shall commence January 1, 2013. This language does not refer to MRMIB's other programs.
AB 1296 (Bonilla)	Health Care Eligibility, Enrollment, and Retention Act
Version: A-9/1/2011 Sponsor: Western Center on Law and Poverty	Enacts the Health Care Eligibility, Enrollment, and Retention Planning Act, which requires the California Health and Human Services Agency, in consultation with specified entities, including MRMIB, to undertake a planning and development process to implement the Affordable Care Act requirements for eligibility, enrollment and retentions systems for state and local public health coverage programs. The bill requires the Department of Health Care Services, in consultation with MRMIB and the California Health Benefit Exchange Board, to develop a single application for Medi-Cal, the Healthy Families Program, the Exchange, and, if established, a basic health program. DHCS is also required, with consultation from MRMIB and the Exchange, to streamline and coordinate all eligibility rules and requirements for the programs mentioned above. The bill requires the process to be completed by the date required by the U.S. Secretary of Health and Human Services. Agency shall report information regarding the policy changes necessary to implement the eligibility, enrollment and retention system to the appropriate fiscal and policy committees of the Legislature by July 1, 2012.

Signed Bills (Continued)	
Bill	Summary
ABX1 21 (Blumenfield)	Public Health: Managed Care Plan Taxes
Version: A-8/31/2011	This budget trailer bill extends the sunset on the annual tax on Medi-Cal managed care health plans' total operating revenues, from July 1, 2011, to July 1, 2012, for the purpose of raising additional revenue for the Healthy Families Program. The "MCO tax," is projected to produce \$207 million in revenue in 2011-12, half of which will be matched with federal funds to fund children's health care coverage through the Healthy Families Program. The remaining revenues will also be matched with federal funds and used to provide a reimbursement rate increase to Medi-Cal managed care health plans.
Sponsor: Author	
ABX1 30 (Blumenfield)	Budget Act of 2011: Revisions
Version: A-8/31/2011	This budget bill appropriates the funds from the MCO tax extension in ABx1 21 to MRMIB for funding the Healthy Families Program.
Sponsor: Author	
SB 36 (Simitian)	County Health Initiative Matching Fund
Version: A-8/26/2011	Expands eligibility in the County Health Initiative Matching Fund program, also known as C-CHIP, to children in families with incomes between 300 and 400 percent of the federal poverty level. San Mateo County currently provides coverage for children up to 400 percent FPL. This bill allows the county to replace local funds with federal CHIP matching funds upon approval by MRMIB and the federal government. It also expands eligibility requirements to include children who, although they may have met the requirements for HFP, are unable to enroll when enrollment caps are utilized due to budget limitations. No state funds will be used to cover children that are newly eligible for federal matching funds as a result of this bill.
Sponsor: San Mateo County	
SB 51 (Alquist)	Health Care Coverage: Benefit Limits: Medical Loss Ratio
Version: A-9/1/2011	Requires health care service plans and health insurers to comply with the Affordable Care Act's prohibition on lifetime limits and restricted annual limits. The bill also requires those same entities to comply with the ACA's requirement to provide rebates to enrollees in plans that fall below 85 percent and 80 percent medical loss ratios for large group coverage and small group / individual coverage, respectively. The bill authorizes the Department of Managed Health Care to issue regulations to implement the medical loss ratio requirements as set forth by the ACA and any rules or regulations issued by the federal government under authority granted by the ACA. The bill specifies that these provisions should not be construed to apply to health plan contracts or health insurance policies offered through specific public programs, including those programs administered by MRMIB.
Sponsor: Insurance Commissioner Dave Jones	
SB 335 (Hernandez and Steinberg)	Medi-Cal: Hospitals: Quality Assurance Fee
Version: A-8/18/2011	Establishes a quality assurance fee to be paid by hospitals for the period of July 1, 2011 through December 31, 2013, to be made available for certain purposes, including increased Medicaid payments. A similar fee, first authorized in 2009 and approved by the Centers for Medicaid and Medicare Services in 2010, allowed the Department of Health Care Services to use the increased federal match provided by the American Reinvestment and
Sponsor: California Hospital Association	

Recovery Act for supplemental reimbursements to hospitals and increased capitation payments to Medi-Cal managed health care plans and to provide \$80 million per quarter for health care coverage for children. That fee expired June 30, 2011.

Other Signed Bills of Interest to the Board

Bill Summary

AB 210 (Hernandez) Maternity Services: Insurance Coverage

Version: A-9/1/2011

Sponsor: Author

Requires all group health insurance policies to provide maternity services as of July 1, 2012. Although health care service plans regulated by the Department of Managed Health Care under the Knox-Keene Act have been required to provide maternity services, until now health insurance plans that are regulated by the Department of Insurance have not. Although there will be no direct impact to MRMIB programs because maternity services are already included, it is possible that some individuals who might have sought coverage through AIM now will have private coverage.

SB 222 (Evans and Alquist)

Maternity Services

Version: A-9/2/2011

Sponsors: American Congress of Obstetricians & Gynecologists, District IV California Commission on the Status of Women Kaiser Permanente

Requires all individual health insurance policies to provide maternity services as of July 1, 2012. Although health care service plans regulated by the Department of Managed Health Care under the Knox-Keene Act have been required to provide maternity services, until now health insurance plans that are regulated by the Department of Insurance have not. Although there will be no direct impact to MRMIB programs because maternity services are already included, it is possible that some individuals who might have sought coverage through AIM will now have private coverage.

SB 946 (Steinberg and Evans)

Health Care Coverage: Mental Illness: Pervasive Developmental Disorder or Autism: Public Health

Version: A-9/9/2011

Sponsors: Alliance of California Autism Organizations Autism Speaks Special Needs Network The Help Group

Requires health plans and health insurance policies to cover "behavioral health treatment" for pervasive developmental disorder or autism. The bill defines behavioral health treatment as professional services and treatment programs that develop and restore, to the maximum extent practicable, the functioning of an individual with autism. Healthy Families and Medi-Cal are exempt from the requirements of the bill; those children will continue to receive these services mainly through the Department of Developmental Services and the California Department of Education.

2 Year Bills

Bill Summary

AB 43 (Monning) Medi-Cal: Eligibility

Version: A-5/27/2011

Sponsor: Author

Would require the Department of Health Care Services to change Medi-Cal eligibility requirements to comply with the Medicaid expansions provided for in the federal Affordable Care Act beginning in 2014. The expansions are intended to include all non-elderly, non-pregnant and non-Medicare eligible individuals with adjusted incomes that do not exceed 133 percent of the federal poverty level. Among other changes, the Medicaid expansion changes the income eligibility level for children ages 6 to 18 from 100 percent to 133 percent FPL and therefore changes HFP income eligibility standards.

2 Year Bills (Continued)

Bill	Summary
AB 52 (Feuer)	Health Care Coverage: Rate Approval
Version: A-6/1/2011	Would require a health care service plan or health insurer to receive approval from the Department of Managed Health Care or the Department of Insurance prior to implementing any new rate or rate change for individual or group contracts or policies, beginning January 1, 2012. The bill would also prohibit DMHC or DOI from approving any rate or rate change that is found to be excessive, inadequate or unfairly discriminatory and would authorize the imposition of fees and civil penalties on health care service plans and health insurers for violating its provisions.
Sponsor: Author	
AB 70 (Monning)	California Health and Human Services Agency: Public Health: Federal Grant Opportunities
Version: I-12/16/2010	Would require the California Health and Human Services Agency to direct the appropriate departments to apply for federal grants provided for by the Affordable Care Act and the Healthy, Hunger-Free Kids Act of 2010. Community Transformation Grants under the Affordable Care Act are to be awarded to state and local governmental agencies and community-based organizations to promote evidence-based community preventive health activities, including programs to promote healthy eating, physical activities, food security, smoking cessation, mental health and safety.
Sponsor: Author	
AB 714 (Atkins)	Health Care Coverage: California Health Benefit Exchange
Version: A-6/30/2011	Would require certain public insurance programs, including the Healthy Families Program, Access for Infants and Mothers, Major Risk Medical Insurance Program and Pre-Existing Condition Insurance Plan to notify individuals who cease to be enrolled that they may be eligible for coverage provided by the Exchange. Upon approval from the federal government, the bill would require these programs to transfer information to the Exchange to initiate eligibility determinations and enrollment. The bill would also require certain hospitals, when billing, to include additional disclosures regarding the availability of health care coverage provided through the Exchange.
Sponsor: Health Access	
AB 792 (Bonilla)	Health Care Coverage: California Health Benefit Exchange
Version: A-8/17/2011	Would require the courts, health care service plans, health insurers, employers, employee associations, and other entities to notify individuals who may have had their health coverage suspended that they may be eligible for coverage provided by the Exchange. The bill would also require some of these entities to transfer information to the Exchange to initiate eligibility determinations and enrollment.
Sponsor: Author	
AB 823 (Dickinson)	Children's Cabinet of California
Version: A-8/15/2011	Would establish the Children's Cabinet of California to advise and make recommendations to the Governor and the Legislature on ways to improve collaboration among state agencies and departments that provide services to children and ways to improve those services. The bill would specify that the Cabinet consists of the Superintendent of Public Instruction, the Secretary of the California Health and Human Services Agency, the Chief Justice of the California Supreme Court, the heads of several other specified agencies and departments within the state, and two members each of the Assembly and the
Sponsor: Children Now	

Senate.

2 Year Bills (Continued)

Bill	Summary
AB 1072 (Fuentes)	Community Development: California Promise Neighborhoods Initiative
Version: A-6/21/2011 Sponsors: Author	Would establish the California Promise Neighborhoods Initiative in the Office of Economic Development to support children's development and improve community efforts regarding the health, safety, education and economic development within participating neighborhoods. This bill would specify that the OED use existing state resources, available federal funds and grants, donations and other public and private financial support. The bill would require the OED to work with the California Health and Human Services Agency and local counties to establish participation goals for the Healthy Families Program, CalFresh, Medi-Cal and other programs that it identifies.
AB 1083 (Monning)	Health Care Coverage: ACA Conformity
Version: A-9/2/2011 Sponsors: Health Access; Small Business Majority	Would conform state law to certain provisions in the Affordable Care Act related to small business health care coverage. The bill would also make necessary changes to state law to implement certain ACA requirements related to individual health insurance products. Among other changes, this bill would enact the following, beginning in 2014: a prohibition on limiting or excluding coverage on the basis of health status or a pre-existing condition; a prohibition on applying risk adjustment factors; and a requirement that rate adjustments for age not vary by a ratio of more than three to one for adults. The bill would also implement the federal option to define a small employer as having 1 to 50 eligible employees from January 1, 2014, until December 31, 2015, and define a small employer as having at least 1, but no more than 100, eligible employees, on or after January 1, 2016.
AB 1334 (Feuer)	Individual Health Plans: Essential Benefits and Actuarial Value of Coverage
Version: A-5/5/2011 Sponsor: Author	Would require health care service plans and health insurers, from July, 2012 through December 2013, to disclose whether or not their products meet the essential benefits threshold set forth in the Affordable Care Act and whether or not their products offer an actuarial value of more than 70 percent. It would also require health care service plans and health insurers, commencing July 1, 2014, to categorize all products offered in the individual market into five tiers according to actuarial value as set forth in the Affordable Care Act: bronze, silver, gold, platinum and catastrophic.
SB 486 (Dutton)	California Children and Families Program: Funding
Version: I-2/17/2011 Sponsor: Author	Would submit to the voters an initiative to abolish the California Children and Families Commission and the county children and families commissions, effective 90 days after approval in the next statewide general election. This bill would take effect immediately as an urgency statute.
SB 635 (Hernandez)	Health Care: Workforce Training
Version: A-5/31/2011 Sponsor: Author	Would shift managed care administrative fine and penalty funding from the Major Risk Medical Insurance Program to family practice residency programs, physician assistant and nurse practitioner programs and registered nurse education programs administered by the Office of Statewide Health Planning

	and Development under the Song-Brown Workforce Training Act beginning on the date that MRMIP becomes inoperative.
2 Year Bills (Continued)	
Bill	Summary
SB 677 (Hernandez)	Medi-Cal: Eligibility: ACA Conformity
Version: A-5/23/2011	Would prohibit the Department of Health Care Services from applying an assets or resources test for purposes of determining eligibility for Medi-Cal or under a Medi-Cal waiver. This bill would also require the department to use the modified adjusted gross income of an individual, or the household income of a family for the purposes of determining income eligibility for Medi-Cal. The bill would provide that these provisions shall become operative on January 1, 2014.
Sponsor: Author	
SB 703 (Hernandez)	Managed Risk Medical Insurance Board: Basic Health Program
Version: A-7/12/2011	Would require the Managed Risk Medical Insurance Board to establish a basic health program pursuant to the federal Patient Protection and Affordable Care Act and specifies MRMIB's responsibilities and authorities to administer the program accordingly. Section 1331 of the Affordable Care Act provides for a state option to establish one or more "Basic Health" insurance plans to individuals between 133 percent and 200 percent of the federal poverty level instead of offering those individuals coverage through the Exchange. Coverage is provided through competitive contracting with standard health plans. Plans must provide at least the essential health benefits and individual premiums must be no greater than the corresponding silver plan on the Exchange. Federal payment for the cost of coverage in a Basic Health Program would be up to 95 percent of the coverage in the Exchange.
Sponsor: Local Health Plans of California	
SB 728 (Hernandez)	Health Care Coverage: Risk Adjustment System: ACA Conformity
Version: A-5/31/2011	Would require the board of the California Health Benefit Exchange to work with the Office of Statewide Health Planning and Development, the Department of Insurance and the Department of Managed Health Care to develop a risk adjustment system for products sold in the Exchange and outside of the Exchange as required under the Affordable Care Act.
Sponsor: Author	
SB 810 (Leno)	Single-Payer Health Care Coverage
Version: A-5/10/2011	Would establish the California Healthcare System to be administered by the newly created California Healthcare Agency under the control of a Healthcare Commissioner appointed by the Governor and subject to confirmation by the Senate. The bill would make all California residents eligible for health care benefits under the California Healthcare System, which would, on a single-payer basis, negotiate for or set fees for health care services provided through the system and pay claims for those services. The bill would require the commissioner to seek all necessary waivers, exemptions, agreements, or legislation to allow various existing federal, state and local health care payments to be paid to the California Healthcare System, which would then assume responsibility for all benefits and services previously paid for with those funds.
Sponsor: Various	